<u>REMARKS</u>

The Office Action mailed November 16, 2006 has been carefully reviewed and these remarks are responsive thereto. Reconsideration and allowance of the instant application are respectfully requested.

Claims 33-38, 41, 46, 47-50, 52, 54, and 56-57 are pending in this application.

Amendment to the Claims

Claims 33-37, 39, 41-42, 46, 51-52 and 56 have been amended to clarify the features of the claims. No new matter has been added.

Claim Objections

Claims 36-37 and 52 were objected to in the Office Action mailed November 16, 2006 for containing the language "operable to." Claims 36-37 and 52 have been amended to remove the language that the Examiner has objected to. Claim 33 was objected under §112, second paragraph for indefiniteness. Claim 33 has been amended to more distinctly claim the subject matter. Applicant submits that claims 33, 36-37, and 52 are in condition for allowance.

Claim Rejections Under 35 USC §102

Claims 33-38, 41, 46-50, 52, 54, and 56-57 stand rejected under 35 USC §102(e) as being anticipated by U.S. Patent Application Number 2005/0254645 ("Shippy").

Shippy deals generally with a system for "safeguarding an encrypted data-stream transmitting on a first channel from a first system to a second system." Shippy at most discloses the use of an encryption system to securely transmit data from one system to another. In contrast, claimed features of Applicant's invention include "detect[ing] along the communication path between at least two terminals a predetermined tag within content" during the "distribution of content over a network or networks" and "report[ing] the detection together with information identifying a sender and/or recipient of the content." Applicant respectfully submits that Shippy does not disclose, teach, or suggest these claimed features.

Independent Claims 33-36, 46, 52, 54 and 56

The Office Action states that claims 33-36, 46, 52, 54 and 56 are anticipated by Shippy, referencing some portion or all of paragraphs 33-38 and 55-66. However, the Office Action merely lists large groups of paragraph numbers of Shippy at the end of each claim and does not explain how Shippy discloses any features of the claims. The Office Action fails to point out what portion of the cited reference allegedly anticipates each of the features of the present claims. The paragraphs specifically cited by the Office Action were thoroughly reviewed and are discussed below.

Applicant respectfully submits that Shippy does not disclose "detecting along the communication path a predetermined tag within content passed along the communications path" and also does not disclose reporting "the detection together with information identifying a sender and/or recipient of the content" by a network device as claimed in the independent claims.

The Office Action merely recites the claim language and at the end states "[0055-66, payload contains tag identifying the stream source]." For some claims, the Office Action also states "0033-0034, computer program." Once again, Applicant submits that the Office Action has not specifically identified where each of the features is present in the cited reference. Applicant respectfully requests specific portions of the cited reference that allegedly teach "detect[ing] along the communication path between at least two terminals a predetermined tag within content" during the "distribution of content over a network or networks" and "report[ing] the detection together with information identifying a sender and/or recipient of the content" be identified for each claimed feature if the rejections are maintained. Paragraph 42 of Shippy clarifies that the system of Shippy is intended to protect data from "unwarranted copying or hacking during transfer within system 100 while allowing untrusted components to access the portions of the data stream they need." In contrast, Applicant has previously amended each of the independent claims to clarify that the detection of the tags is not at source or destination devices, but rather "along a communications path" and "between at least two terminals."

Paragraph 17 of the specification provides further clarification of the differences between the prior art and the claimed features of detecting "along the communication path between at

least two terminals, a predetermined tag within content passed along the communications path" and reporting "the detection together with information identifying a sender and/or recipient of the content." In particular, the specification points out that the prior art consisted of "digital rights management requires the presence of encryption, decryption and digital right management software on the terminal." (Page 6, lines 7-9 of paragraph 17). Furthermore, Shippy merely deals with using the encryption to secure content and does not disclose, teach, or suggest a system or method that "reports the detection together with information identifying a sender and/or recipient of the content." In contrast, the claimed features of Applicant's invention include detecting tagged content "along the communication path between at least two terminals" and reporting "the detection...of the content." Therefore, Applicant respectfully submits that the specification and the language recited in the claims distinguishes the present claims from the prior art.

Therefore, Applicant respectfully submits that nothing in paragraphs 33-34 or paragraphs 55-66 cited in the Office Action or elsewhere in Shippy discloses "detecting, along the communication path between at least two terminals, a predetermined tag within content passed along the communications path" or reporting "the detection together with information identifying a sender and/or recipient of the content."

Dependent Claims 37-38, 41, 47-50, and 57

With respect to dependent claims 37-38, 41, 47-50, and 57, Applicant respectfully submits that each of these claims ultimately depends from one of claims 34, 36, 46, or 56 and therefore, that claims 37-38, 41, 47-50, and 57 are each allowable for at least the same reasons as argued above with respect to claims 34, 36, 46 and 56.

     Applicant respectfully submits that the instant application is in condition for allowance and respectfully solicits prompt notification of the same. Should the Examiner believe that a conversation with Applicant's representative would be useful in the prosecution of this case, the Examiner is invited and encouraged to call Applicant's representative.

Respectfully submitted,

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